

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**CORRECTED  
FISCAL NOTE**

**HB 103 - SB 2055**

April 1, 2011

**SUMMARY OF BILL:** Authorizes a juvenile court to assign youth who are found to be delinquent based on offenses involving a firearm to be assigned a long-term mentor and requires the youth and any of the youth's family members to receive counseling services from the Department of Children's Services, the juvenile court, or any private counseling service provided through and approved by the juvenile court. Authorizes juvenile offenders over the age of 16 to be transferred to an adult court if the offense was aggravated robbery or any offense involving the use of a firearm.

**ESTIMATED FISCAL IMPACT:**

On March 29, a fiscal note was issued estimating a fiscal impact as follows:

*Increase State Expenditures - \$1,201,900*

*Increase Federal Expenditures - \$800,500*

*Due to an oversight regarding incarceration costs, this impact was in error. Based on additional information provided by the Department of Correction, the estimated fiscal impact is:*

**(CORRECTED)**

**Increase State Expenditures \$1,201,900  
\$71,500/Incarceration\***

**Increase Federal Expenditures - \$800,500**

Assumptions:

- According to DCS, an additional 32 juveniles will come into state custody.
- The average cost per juvenile per day is \$108.
- The average length of stay per juvenile will be one year (365 days), a total of 11,680 days (365 x 32).
- The increase in expenditures for housing will be \$1,261,440 (\$108 x 11,680 days). Of this amount, 49 percent (\$618,106) will TennCare funds.

**HB 103 - SB 2055 (CORRECTED)**

- Of the TennCare funds, \$409,372 will be federal funds at a 66.23 percent match rate and \$208,734 will be state funds (\$618,106 - \$409,372).
- Seven percent of the total cost, or \$88,301 ( $\$1,261,440 \times 7\%$ ) will be new federal Title IV-E expenditures.
- The remaining \$555,033 [ $(\$1,261,440 - (\$618,106 \text{ TennCare} + \$88,301 \text{ Title IV-E}))$ ] will be state funded.
- The increase in state expenditures for housing will be \$763,767 (\$208,734 TennCare + \$555,033). The increase in federal expenditures for housing will be \$497,673 ( $\$409,372 \text{ TennCare} + \$88,301 \text{ Title IV-E}$ ).
- DCS will require 12 new case managers to run the mentoring and counseling program at a cost of \$62,753 per case manager with salary (\$34,400), benefits (\$13,353), and other equipment (\$15,000); total cost for new case managers will be \$753,036 ( $\$62,753 \times 12$ ).
- One additional program manager will be hired at a cost of \$69,861 with salary (\$40,200), benefits (\$14,661), and other equipment (\$15,000).
- Total increase in expenditures for personnel will be \$822,897 ( $\$753,036 + \$69,861$ ).
- Of the \$822,897, 45 percent (\$370,304) will be TennCare funds. Of the TennCare funds, \$245,252 will be federal funds at a 66.23 percent match rate and \$125,052 ( $\$370,304 - \$245,252$ ) will be state funds.
- Seven percent of the total cost \$57,603 ( $\$822,897 \times 7\%$ ) will be new federal Title IV-E expenditures.
- The remaining \$394,990 [ $\$822,897 - (\$370,304 \text{ TennCare} + \$57,603 \text{ Title IV-E})$ ] will be state expenditures.
- The total increase in state expenditures for personnel will be \$520,042 ( $\$125,052 \text{ TennCare} + \$394,990$ ).
- The total increase in federal expenditures for personnel will be \$302,855 ( $\$245,252 \text{ TennCare} + \$57,603 \text{ Title IV-E}$ ).
- DCS estimates that in addition to the 32 new custodial cases, that 42 juveniles currently in state custody and 180 non-custodial cases will be assigned a long-term mentor and receive counseling services from DCS; a total of 254 juveniles.
- DCS will perform a background check on all long-term mentors at a cost of \$100 per mentor and estimates that counseling services will cost \$70 per juvenile. The increase in state expenditures for background checks will be \$25,400 ( $\$100 \times 254$ ). Increase in state expenditures for counseling services will be \$17,780 ( $\$70 \times 254$ ). The total increase in state expenditures for counseling and mentoring services will be \$43,180 ( $\$25,400 + \$17,780$ ).
- Backgrounds will be done each year to ensure that mentors are able to continue in the program.
- The total increase in recurring state expenditures for housing, personnel, and counseling services will be \$1,201,937 ( $\$763,767 \text{ housing} + \$394,990 \text{ personnel} + \$43,180 \text{ mentors and counseling}$ ).
- The total increase in federal expenditures for housing and personnel will be \$800,528 ( $\$497,673 \text{ housing} + \$302,855 \text{ personnel}$ ).
- The three-year average for juvenile arrests for weapon law violations as cited in the Tennessee Bureau of Investigation Crime in Tennessee Report is 711. The Department of Correction (DOC) assumes one percent (7) of these arrests were for firearms and may

result in the juvenile being tried as an adult. Assume 10 (1) percent of those will result in a conviction. DOC estimates one additional juvenile convicted as an adult each year for a Class C felony as a result of this bill.

- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one additional Class C felony.
- According to DOC, the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class C felony is 3.23 years at a cost of \$71,517.05 (1,179.76 days x \$60.62).

*\*Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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